

Illinois Commerce Commission)
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Distributed Generation Interconnection)
Workshop)

The Staff's rule on interconnection should not be so cumbersome as to deter installation and use of DG. DG is at an early stage of development. However as DG technologies continue to mature, adoption of DG will become more attractive to customers. Therefore, it is critical for the Staff's draft rule to balance the incumbent utility's legitimate concern with system reliability when interconnecting new DG to transmission and distribution ("T&D") facilities with the principles of non-discrimination and confidentiality. Incumbent utilities should not be permitted to discriminate against

requests for interconnection of DG. Also, incumbent utilities should not be permitted to discriminate between requests for interconnection received from an affiliated entity and those coming from an independent competitor of the affiliate. To ensure non-discriminatory treatment for interconnection requests, the Staff should require that incumbent utilities treat requests for interconnections confidentially and take steps to ensure that information regarding those requests are not shared with unnecessary personnel within the utility or with affiliates.

The Staff's rule on interconnection should encourage the adoption of DG because of its ability to improve the reliability of the entire electric power delivery system. Due to the nature of DG, users will have the ability to site DG facilities very close to the load that will make use of this new generating capacity. The ability to site DG facilities near load will reduce reliance on the T&D grid, making the entire system more reliable. Also, a significant DG presence will aid the entire system's ability to withstand unscheduled outages from traditional concentrated generation facilities. DG's potential to add a measure of redundancy to the entire system will increase reliability and reduce costs to everyone when unplanned natural or man-made disasters strike.

The Staff's rule on interconnection should encourage the adoption of DG because of its ability to improve the efficiency of the entire electric power delivery system. A rule encouraging adoption of DG will help delay or reduce the size of additional costly investments in generation and T&D. This is particularly true of the challenges of meeting peak demand periods, such as during extremely hot summer days. DG can serve as a safety valve by providing peak shaving capability to customers and allowing the utility to interrupt them and direct that capacity elsewhere.

The Staff's rule on interconnection should also encourage the adoption of DG because of its potential ability to moderate prices, especially during periods of peak demand. The ability of users of DG to switch to their own generation capacity will allow traditional generating capacity to serve other customers. This additional capacity will increase the supply of power available during periods of peak demand and lower prices for power.

Finally, Staff's rule on interconnection should also encourage the adoption of DG fueled by renewable sources of energy. Using renewable sources of energy, such as biomass, solar, and wind, to fuel DG will create benefits to the environment as well as put less pressure on fossil fuel prices and infrastructure.

III. Conclusion

CUB supports the Staff's efforts to author a draft rule governing DG interconnections. DG offers many potential benefits to the entire electric power delivery system by improving reliability and efficiency. However, DG is at a very early, but important, stage of development. Adoption of DG faces potential discrimination from incumbent utilities who may view it as potential competition either to themselves or affiliates who are selling traditional generation or DG to customers. As a result, the Staff

should make clear in its draft rule that incumbent utilities will not be permitted to discriminate against customers requesting interconnection for their DG facilities. CUB also believes that the Staff's rule should encourage the adoption of DG, because of its ability to moderate power prices during periods of peak demand. Finally, CUB believes that Staff's draft rule should also encourage the use of DG fueled by renewable sources of energy.

Respectfully Submitted,

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